

## Message Text

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47

ACTION EUR-12

INFO OCT-01 ISO-00 AEC-07 AID-05 CEA-01 CIAE-00 CIEP-02

COME-00 DODE-00 EB-06 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-04 SP-02 SS-15 STR-04 TRSE-00 FRB-01 /088 W

----- 038393

R 071700Z NOV 74

FM AMEMBASSY DUBLIN

TO SECSTATE WASHDC 6155

INFO AMEMBASSY BRUSSELS

AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

UNCLAS DUBLIN 1597

E. O. 11652: N/A

TAGS: ENRG EI

SUBJ: GOI POLICY STATEMENT ON OFFSHORE PETROLEUM LICENSING

REF: DUBLIN 1194 (NOTAL)

1. IRISH MINISTER FOR INDUSTRY AND COMMERCE, JUSTIN KEATING, ISSUED OFFICIAL STATEMENT NOVEMBER 4 SETTING FORTH GENERAL GOI POLICY GOVERNING LICENSING OF OFFSHORE OIL OPERATIONS. STATEMENT APPEARS TO PULL TOGETHER ELEMENTS OF POLICY ENUNCIATED ON PREVIOUS OCCASIONS AND IT DOES NOT PRESENT ANY SURPRISES. POLICY DOES NOT AFFECT OFFSHORE LICENCES IN EXISTENCE AND DOES NOT THEREFORE HAVE EFFECT ON EXISTING MARATHON OIL CO. LICENCE. (MARATHON IS ONLY U.S. COMPANY WITH OFFSHORE OIL EXPLORATION AND DEVELOPMENT LICENCE AT PRESENT.) POLICY, WHILE IT APPLIES TO OFFSHORE PETROLEUM, HAS OBVIOUS IMPLICATIONS FOR GOI POLICY

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COVERING ONSHORE MINERALS, PARTICULARLY EXPLOITATION OF

NAVAN LEAD"ZINC DEPOSIT WHICH IS STILL UNDER NEGOTIATION ((REFTEL).

2. FOLLOWING ARE PRINCIPAL PROVISIONS OF POLICY STATEMENT:

A. RIGHT OF STATE PARTICIPATION WILL BE ESSENTIAL FEATURE OF EACH NEW OFFSHORE PETROLEUM LICENCE.

B. UNDER EACH LICENCE, STATE WILL HAVE OPTION TO PARTICIPATE UP TO SPECIFIED MAXIMUM LEVEL IN EVENT PETROLEUM FIND IS MADE.

C. PETROLEUM RESOURCES ARE PUBLICLY OWNED AND VESTED BY LAW IN MINISTER FOR INDUSTRY AND COMMERCE, AND IT FOLLOWS THAT LICENSING CONDITIONS MUST ENSURE THAT STATE "TAKE" IS ADEQUATE. THERE IS ALSO STRATEGIC OBJECTIVE OF PROVIDING STATE WITH ACCESS TO OIL SUPPLIES BEING PRODUCED WITHIN ITS JURISDICTION.

D. STATE "TAKE" WILL CONSIST OF THREE BASIC ELEMENTS - TAXATION OF PROFITS, ROYALTIES ON PETROLEUM PRODUCED, AND STATE PARTICIPATION.

E. THERE IS NO QUESTION OF RELATIVE MERITS OF PRIVATE ENTERPRISE VERSUS STATE ENTERPRISE, NOR IS THERE QUESTION OF RIGHT OF FOREIGN OR IRISH PRIVATE ENTERPRISE TO BECOME INVOLVED IN DEVELOPMENT OF OFFSHORE RESOURCES. ANY QUALIFIED COMPANY IS ELIGIBLE.

F. TO MAKE THE MOST OF OFFSHORE PETROLEUM RESOURCES, IT WILL BE NECESSARY TO ESTABLISH A STATE NATIONAL OIL COMPANY AS SOON AS POSSIBLE.

G. IRISH PARTICIPATION WILL NOT BE A CONDITION FOR LICENCES GRANTED TO FOREIGN COMPANIES, AND NO PARTICIPATION OBLIGATIONS OTHER THAN THE OPTION OF STATE PARTICIPATION WILL BE IMPOSED UPON LICENSEES.

3. IT WILL BE NOTED THAT FOREGOING POLICY IS VERY GENERAL, AND PRECISE TERMS AND PERCENTAGES ARE NOT STATED. THUS, WHILE GOI UNCLASSIFIED

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HAS SET FORTH GENERAL PRINCIPLES, IT HAS KEPT OPTIONS OPEN. DEPARTMENT OF INDUSTRY AND COMMERCE SOURCE INFORMS US THAT MORE SPECIFIC GUIDELINES WILL BE ISSUED AT LATER DATE, BUT TERMS OF FUTURE OFFSHORE LICENCES WILL UNDOUBTEDLY BE NEGOTIATED ON A CASE-BY-CASE BASIS TAKING INTO CONSIDERATION CIRCUMSTANCES OF EACH CASE.

4. TEXT OF POLICY STATEMENT IS BEING FORWARDED BY AIRGRAM.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTION, EXPLORATORY DRILLING, LICENSES, FOREIGN POLICY POSITION  
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**Copy:** SINGLE  
**Draft Date:** 07 NOV 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** DUBLIN 1194 (NOTAL)  
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**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 SEP 2002 by chicheje>; APPROVED <11 FEB 2003 by elyme>  
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30 JUN 2005

**Review Media Identifier:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOI POLICY STATEMENT ON OFFSHORE PETROLEUM LICENSING  
**TAGS:** ENRG, EI  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005